The mining sector has experienced a decline in the growth rate due to slow down in the production of crude petroleum. The output of crude petroleum suffered due to an accident in Bombay High in 2005-06 and environmental constraints in the eastern region. Also, the rate of growth of the coal industry came down from 5.8% in 2003-04 to 4.4% in 2004-05.

(c) For increasing the production of crude oil and natural gas, the Government has taken various measures including formulating the New Exploration Licensing Policy. Also the recovery from the existing oil fields is being improved and difficult and frontier areas are being explored for new discoveries. As a result of several concerted measures, the coal production in the country picked up in 2005-06 and recorded a higher rate of growth of 6.4%.

FDI in manufacturing industries

†*143. SHRI RAJ MOHINDER SINGH MAJITHA:
SHRI RAVI SHANKAR PRASAD:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government consider Foreign Direct Investment as essential for the growth of manufacture industries in the country;

(b) if so, the details in this regard and how much FDI is being assessed to be needed for the sector in the present circumstances;

(c) whether Government are formulating a new scheme to promote foreign direct investment in the manufacturing industries; and

(d) if so, the details thereof?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH): (a) Investments, both domestic and foreign, are important for growth of the manufacuring sector. Foreign Direct Investment (FDI), apart from brining in capital, also brings with it modern technology and business practices and helps in increasing the competitiveness of the domestic industry.

(b) FDI in manufacturing rose form US$ 671 million in 2003-04 to US$ 2.1 billion in 2005-06. The Investment Commission set up by the Government has estimated that to support the GDP growth target of over 8% per annum, a total investment of over $ 1.5 trillion is required over a five year period, of which FDI should be $ 72 billion. As per their Report, manufacturing sector would also require an investment of around US$ 135 billion in 8 key sectors.

†Original notice of the question was received in Hindi.

(c) and (d) Under the present policy, FDI upto 100% is permitted on the automatic route in most of the manufacturing sectors. Some of the initiatives for increasing investment in the manufacturing sector *inter-alia* include, Industrial Infrastructure Up-gradation Scheme and Growth Centre Scheme. Also, proposals for setting up of Petroleum, Chemicals, Petrochemicals Investment Regions (PCPIR) and Manufacturing Investment Regions (MIR) are at conceptual stage.

Unemployment allowance to engineering graduates

*146. SHRI RAJEEV SHUKLA: Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) whether National Technical Manpower Information System has made any survey in the recent past to know the unemployment rate of engineering graduates in the country.

(b) if so, the details thereof;

(c) the steps taken to provide them employment; and

(d) whether there is any proposal to provide them with unemployment allowance?

THE MINISTER OF LABOUR AND EMPLOYMENT (SHRI K. CHANDRASEKHAR RAO): (a) and (b) Yes, Sir. Under the National Technical Manpower Information System, an assessment of the job market of engineering graduates is done through annual follow-up survey of graduates passing out from the engineering educational Institutions. The state-wise projection of unemployment of engineering graduates for the year 2005 for selected States is given in the Statement (*See* below).

(c) With the economy expected to grow at around 8% per annum and the Government emphasis on development of Infrastructure, better health services, emphasis to IT and communucation sectors etc., substantial employment opportunities for engineers are likely to be created in the economy.

(d) The Central Government do not have any proposal to provide unemployment allowance.